

## **BUDGET, FINANCE & INVESTMENT COMMITTEE**

**August 6, 2009**

**5:30 P.M.**

**Courthouse**

### MINUTES:

#### Members Present:

Comm. Bob Bullen  
Comm. Joe Frank Jernigan  
Comm. Will Jordan  
Comm. Robert Peay, Jr.  
Comm. Steve Sandlin  
Comm. Doug Shafer  
Comm. Joyce Ealy, Chrm.

#### Others Present:

Ernest Burgess  
Teb Batey  
Lisa Nolen  
Lois Miller  
Jeannie Herndon  
Jim Baker  
Sumner Bouldin

#### Others Present:

Brittany Rogers  
Mr. Brown  
Bill Boner  
Regina Nelson  
John Lodl  
Mary Schneider  
Pam Fone

#### Others Present:

Mike Nunley  
Roger Allen  
Jeff Sandvig  
Elaine Short

Chairman Ealy presided and called the meeting to order with all members being present.

### APPROVE MINUTES:

The minutes of the June 24, 2009 Budget Committee were presented for approval.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes as presented.

The motion passed unanimously by acclamation.

### INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that three investment bids had taken place since the last meeting, and that the interest rates were still down. The LGIP interest rate dropped another 10 basis points to .57%.

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

Mr. Batey advised that approximately 96.3% of the 2008 property tax roll had been collected. He stated the collections were up for July. He stated that in looking back over the trend, this was normal. He stated that the property tax collections were stable.

### FUND CONDITION REPORTS:

Lisa Nolen, Finance Director, advised that the total Development Tax collections for the 2008-09 Fiscal Year were \$2,579,250. The original estimate for the Development Tax was \$3.5 million with the estimate being lowered in June to \$2,622,000. This compared to \$3,960,000 for the previous Fiscal Year.

The Development Tax collections for July, 2009 were \$138,000. This compared to \$561,000 for July, 2008.

Mrs. Nolen reviewed the fund balances for the Fiscal Year beginning July 1, 2009. The General Fund started the 2009-10 Fiscal Year with a beginning fund balance of \$12,618,575, which was an improvement of \$1.8 million over the amount anticipated. Mrs. Nolen advised that the actual revenue was closer to the estimates than anticipated. Additionally, almost \$4 million in appropriations were not spent. The amount reserved was also less than anticipated. All of these factors resulted in an increase to the fund balance.

Mrs. Nolen advised that the Self-Insurance Fund, which pays property and casualty claims closed with a deficit of \$240,000, and later in the meeting she would be requesting approval of a transfer of \$300,000 to go into that fund to take care of the deficit.

Mrs. Nolen advised that the General Purpose School Fund closed with a fund balance \$2.5 million more than anticipated. The 2009-10 Fiscal Year began with a fund balance of \$10.8 million. She explained that the School System received some American Recovery and Reinvestment Act (ARRA) funds at the end of the 2008-09 Fiscal Year.

Mrs. Nolen advised that the Solid Waste Fund ended the year approximately \$750,000 better than estimated and the Development Tax Fund closed approximately \$270,000 better than estimated. The one fund that did not close better than estimated was the Highway Fund, which closed approximately \$350,000 less than anticipated.

The Finance Director provided a summary of appropriations that were not spent in the General Fund and the General Purpose School Fund with \$1.8 million in salaries and wages and the related benefits not being spent in the General Fund, and \$1.1 million in salaries and wages and the related benefits not being spent in the General Purpose School Fund.

Comm. Bullen asked that Mr. Sandvig be recognized to respond to the unspent money in the General Purpose School Fund.

Mr. Sandvig advised that part of the remaining balance was due to budget amendments that were approved at the end of the 2008-09 Fiscal Year in which non-labor funds were transferred into labor line items in an effort to make sure that no salary line items were overdrawn at the end of the year. In some of the other areas, the School Board intentionally held back on spending in order to try to build up the fund balance. Mr. Sandvig advised that the ARRA money received was actually the second half of the growth money. He stated that the Board was fully funded, but the state has already sent an e-mail stating if the sales tax revenue did not materialize some of the BEP funds could be impounded.

Mayor Burgess advised that the first month of sales tax revenue had not materialized, and that the Commissioner of Finance had already impounded \$56 million in other expenditures not including BEP.

Mr. Sandvig advised that \$6.5 million of the BEP base allocation this year would be provided through stimulus funds. The extended contract money this year would all be provided from stimulus money.

The Finance Director reported that at the end of June the total fund cash balances were \$171,295,694 with \$122,367,043 being operating funds and \$48,928,651 being borrowed funds. This compared to June, 2008 when the total cash balances were \$141,759,049 with \$116,625,948 being operating funds and \$25,133,101 being borrowed funds.

At the end of July the total fund cash balances were \$160,737,501 with \$112,678,556 being operating funds and \$48,058,945 being borrowed funds. This compared to July, 2008 when the total cash balances were \$129,543,970 with \$108,317,148 being operating funds and \$21,226,822 being borrowed funds.

The Finance Director advised that when the County Commission adopted the Appropriation Resolution, there was a section included in the Resolution that allowed for the issuing of Tax Anticipation Notes not to exceed 60% of the total estimated appropriations for any given fund. She advised that the new Fund 118, Ambulance Service Fund, would not receive any property taxes until the end of October. She advised that an interfund Tax Anticipation Note in the amount of \$3 million had been issued from the General Debt Service Fund to the Ambulance Service Fund. She advised that the Tax Anticipation Note would have to be paid off before the end of the Fiscal Year. Mrs. Nolen also reminded the committee that during the budget process, \$400,000 had been approved as a transfer from the General Fund to the Ambulance Service Fund in order to provide the fund with a fund balance to get it started. Therefore, the cash balance of \$3,503,373.81 in the Ambulance Service Fund included the \$3 million Tax Anticipation Note, and the \$400,000 transfer from the General Fund.

The Finance Director advised that the Ambulance Station and Land project had a cash balance of \$21,449.40 and later in the meeting she would be requesting to transfer the balance back to the Development Tax Fund as the project was complete.

Comm. Jernigan asked if that was the Manchester Ambulance Station, and he asked about the sign for the building.

Mrs. Nolen advised that the sign was not up, but that the PO had been released for cancellation. She stated that she believed that the remaining balance would include the money for the sign.

Mayor Burgess advised that the sign had been designed.

The Finance Director advised that the project did not have to be closed out this month and that it could be deferred for another month.

Following review and discussion, Comm. Jernigan moved, seconded by Comm. Peay to approve the Fund Condition Reports for the months ending June 30, 2009 and July 31, 2009 as presented. The motion passed unanimously by acclamation.

#### INSURANCE REPORT:

Mrs. Lois Miller, Insurance Director presented the monthly Insurance Report for the use and information of the committee advising that the 2008-09 Fiscal Year was completed with an average claim cost per employee per month of \$620.25. Last year's average was \$529.47, which was an increase of 17%. She stated that the year was completed with \$11.6 million in large claims. She stated that the activity in large claims had driven the claims cost up in the 2008-09 Fiscal Year.

The dental program remained stable because the dental program is now self-funded with the claims going through the same bank account as the health insurance claims.

The CareHere Clinics ended the year with an average cost per visit of \$79.92. Last year's cost per visit was \$100.31. This reflects a decrease in the CareHere fixed prices.

Regarding the Workers' Compensation Program, Mrs. Miller advised that the program finished the year at 43% of where the program ended the previous year. She reminded the committee that this was a little misleading due to a reduction in the reserve of \$828,000. She advised that the payroll had also grown by more than 4%. She advised that in the month of June, the claims costs were \$294,231, but that included one large claim and one settlement.

Mrs. Miller presented the Insurance Report for the month ending July 31, 2009 advising that the month of July indicated a favorable condition for the self-funded medical and dental costs.

The CareHere costs per employee for the month was not favorable compared to July of last year. She advised that sometimes there is a timing issue with the billing which could cause the appearance of fluctuation in costs. The total core plan costs per employee indicated a favorable condition when compared to last year.

Mrs. Miller advised that she was going to begin to track the GASB liability annual required contribution. As of July, 2009 the annual required contribution for the GASB liability was \$21.9 million.

Mrs. Miller advised that she would start referring to the Workers' Compensation activity as the Work Injury Fund. She advised that there had been a very good start to the year. She advised that she would begin comparing how many of the claims being incurred were due to the old Workers' Compensation Program as opposed to the new On-the-Job Injury Program. She advised that currently, more money was being spent on the old Workers' Comp. Program than the OJI Program. She stated that as the year progressed, the Workers' Comp. costs should decrease, and the OJI costs should increase. However, the total of the OJI costs should remain

lower. She advised that the OJI claims costs for the month of July were approximately 35% of last year's July costs.

Following review, Comm. Sandlin moved, seconded by Comm. Jordan to approve the Insurance Reports for the months ending June 30, 2009 and July 31, 2009. The motion passed unanimously by acclamation.

RECOMMENDATION TO APPROVE SELF-FUNDED VISION PROGRAM WITH THE ADMINISTRATION TO BE THROUGH CIGNA:

Mrs. Miller advised that Requests for Proposals had been issued for the vision insurance. She advised that the current vision vendor failed to respond to the RFP. She advised that five vendors submitted bids, and two were selected as finalists those being CIGNA and Spectera. She advised that the plans were very similar with only a little differential on the out-of-network benefits on the CIGNA plan and the Spectera plan. The in network benefits were almost identical.

By moving to the CIGNA plan, approximately 28% of employees would have to seek different optometrists. With the Spectera plan, approximately 20% of employees would have to seek different optometrists. Previously Dr.'s Value Vision was covered in the network. They will no longer be in the network with the CIGNA plan. With Spectera, Dr's Value Vision is in the network; however, two of the main optometrists in Murfreesboro are not in network. Mrs. Miller reviewed various questions contained in the RFP and the comparison of answers by CIGNA and Spectera.

Mrs. Miller stated that she believed that Rutherford County should very strongly consider moving the vision program to a self-funded contract, and it was the recommendation from the Insurance Committee. She stated that vision claims did not have a lot of risks, and they were pretty consistent. She provided information that the annual renewal of the vision program would increase by 20% under CIGNA and would increase by 16% with the Spectera Plan. The self-funded insured costs would increase by 9% with CIGNA and would increase by 5% with Spectera. She stated that the primary difference was a risk charge. She stated that in this particular instance there would not be a lot of risk. Both vendors guaranteed the rates for three years. Therefore, it was the recommendation of the Insurance Committee that the vision program change to a self-funded program. The dollar differential between CIGNA and Spectera was \$13,500. Cigna's cost was slightly more, but it was miniscule when looking at the entire picture.

When ranking both CIGNA and Spectera on the various aspects that were important to the success of the program, CIGNA ranked better with a weighted average of 1.25 versus 1.5 for Spectera. The Insurance Committee voted unanimously to award the vision program to CIGNA with a self-funded program.

Comm. Jordan moved, seconded by Comm. Sandlin to change the vision program to a self-funded program and to award the administration of the vision program to CIGNA effective January 1, 2010. The motion passed unanimously by roll call vote.

AMENDMENT TO CAPITAL ASSET POLICY TO IMPLEMENT GASB STATEMENT 51 REGARDING INTANGIBLE ASSETS:

Finance Director Nolen requested approval to amend the Capital Asset Policy to account for Intangible Assets. She advised that Rutherford County's largest intangible asset that would be accounted for was rights-of-way. She stated that totaled approximately \$44 million. She stated that previously it was accounted for as Other Fixed Assets, and now it would be account for as an Intangible Asset. She acknowledged the work of Ted Lindsey in working with CTAS and getting the policy to this point which would allow Rutherford County to adopt the standard a year early. She advised that the policy primarily described what assets were considered as

intangible assets and at what point the County would begin accounting for them as opposed to expensing them.

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to forward a Resolution to the County Commission authorizing an amendment to the Capital Asset Policy to implement GASB Statement 51, Accounting & Financial Reporting for Intangible Assets. The motion passed unanimously by roll call vote.

**REQUEST FROM HEALTH & EDUCATIONAL FACILITIES BOARD FOR APPROVAL TO ISSUE REVENUE BONDS FOR THE SPRING VALLEY APARTMENTS PROJECT:**

Mr. Jim Baker, Chairman of the Industrial Development Board, and Mr. Sumner Bouldin addressed the committee requesting approval to issue revenue bonds in an amount not to exceed \$7,500,000 for the purpose of providing financing, architectural, engineering, legal, accounting, consulting, and other professional charges, fees, and expenses regarding the rehabilitation of the Spring Valley Apartments.

Ms. Brittany Rogers and Mr. Brown were also in attendance representing the applicant.

Mr. Baker advised that the Health & Educational Facilities Board had previously requested approval of a Resolution to issue revenue bonds for the Spring Valley Apartments, but unfortunately the economy shifted. The applicants started over with a new proposal through the HEW. The Spring Valley Apartments are located on Bradyville Pike, and were built in about 1970. The apartments consist of 176 units which are in need of considerable rehabilitation. The funding vehicle would be through tax exempt bonds, and the county has no obligation for the bonds.

Following discussion, Comm. Jordan moved, seconded by Comm. Sandlin to approve a Resolution and forward the same to the County Commission authorizing the issuance of tax exempt revenue bonds in an amount not to exceed \$7,500,000 for the purpose of financing the acquisition and rehabilitation of the Spring Valley Apartments consisting of approximately 176 units. The motion passed unanimously by roll call vote.

**GENERAL FUND BUDGET AMENDMENTS**

**ASSESSOR OF PROPERTY – REAPPRAISAL:**

Mr. Bill Boner, Assessor of Property, requested approval of the following budget amendment to provide adequate funding to purchase a vehicle from the State of Tennessee's bid for the Reappraisal Department:

From: 101-52310-425 – Gasoline -	\$1,700
To: 101-52310-718 – Motor Vehicles -	\$1,700

Mr. Boner advised that the total cost of the vehicle was \$23,750, and if it was purchased within 30 days, he could receive a 7% discount.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfer for the Reappraisal Department providing adequate funding to purchase a vehicle from the State of Tennessee's bid. The motion passed by roll call vote with Comm. Shafer voting "pass".

**CIRCUIT COURT JUDGES:**

The Finance Director requested approval of the following budget amendment to providing funding for the Postal Charges Account for the Referee for the Circuit Judges:

From: 101-39000 – Undesignated Fund Balance -	\$300
To: 101-53110-348 – Postal Charges -	\$300

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment to provide funding for the Postal Charges Account for the Circuit Court Judges budget. The motion passed by roll call vote with Comm. Jernigan being out of the room at the time.

SHERIFF'S DEPARTMENT:

Chief Deputy Regina Nelson requested approval of the following budget amendments for the Sheriff's Department to transfer unspent donated monies from the 2008-09 Fiscal Year back into the line accounts for Mounted Patrol, Explorers, ICE, and K9; and to request a transfer of unspent grant monies for the 2008-09 Fiscal Year in the line item accounts for the 2008 Law Enforcement Block Grant, and the 2007 JAG:

From: 101-39000 – Undesignated Fund Balance -	\$17,110
To: 101-54110-399 – Other Contracted Services -	\$16,550
101-54110-709 – Data Processing Equipment -	560

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendments for the Sheriff's Department to transfer unspent 2008-09 donated monies into the current year budget for the Mounted Patrol, Explorers, ICE and K9; and to transfer unspent monies for the 2008 Law Enforcement Block Grant and the 2007 JAG into the current year budget. The motion passed unanimously by roll call vote.

AMERICAN RECOVERY & REINVESTMENT ACT (ARRA) 2009 BYRNE JUSTICE ASSISTANCE GRANT AMENDMENT:

Chairman Ealy advised that the County Commission adopted a Resolution on June 26 authorizing the County Mayor and other appropriate officials of Rutherford County to execute the Grant Contract with the State of Tennessee for the two-year ARRA 2009 Byrne Justice Assistance Grant in the amount of \$207,436.00 requiring no matching funds. The first year amount is \$103,718.00. She advised that any time ARRA Grant monies were appropriated, it was required that the revenue and the expenditures be kept completely separate from the regular budget.

Chief Deputy Nelson requested approval of the following budget amendment to recognize the revenue to be received from the ARRA 2009 Byrne Justice Grant for the first year in the amount of \$103,718 and to appropriate the revenue for salaries and the related benefits to hire two program facilitators, one each for the Adult Detention Facility and the Correctional Work Center. Chief Nelson advised that the budget amendment did not include any funding for retirement or long term disability, and the amendment might need to be adjusted before the County Commission meeting:

Increase Revenue:	101-47303 – Sheriff-ARRA 2009	
	JAG Program Facilitators -	\$103,718
Increase Expend.:	101-58803-168 – Temporary Personnel -	\$ 74,000
	101-58803-201 – Social Security -	5,422
	101-58803-205 – Employee Insurance -	17,365
	101-58803-212 – Employer Medicare -	1,931
	101-58803-355 – Travel -	5,000

The Finance Director advised that the question was could a temporary employee who was working full time be excluded from OJI and therefore not need the long term disability. The Sheriff's Department has stated that they wanted the individuals to be covered under the health insurance, but if the employees were considered as part time employees, they would have to work at least 30 hours per week for at least 30 weeks out of 52 weeks. Then they would have the opportunity to receive the health insurance.

The Finance Director stated more information was needed before the budget amendment was approved by the County Commission.

Mayor Burgess stated if more money had to be added for benefits, it would leave less money for the salaries.

Following discussion, Comm. Sandlin moved, seconded by Comm. Shafer to approve the budget amendment recognizing the revenue to be received from the ARRA 2009 JAG in the amount of \$103,718, and to appropriate the revenue for salaries and the related benefits and travel for two program facilitators, one each for the Adult Detention Facility and the Correctional Work Center subject to the details of the budget amendment being finalized by the County Commission meeting. The motion passed unanimously by roll call vote.

ARRA STOP DOMESTIC VIOLENCE INVESTIGATOR BUDGET AMENDMENT:

Chairman Ealy called the Budget Committee's attention to the Resolution adopted by the County Commission on May 14<sup>th</sup> whereby the County Mayor and other appropriate officials of Rutherford County were authorized to submit an application for a two-year S.T.O.P. Domestic Violence Grant in the amount of \$72,974 requiring a 25% local match. Chairman Ealy advised that the grant had been awarded. ARRA requires that the revenue and expenditures for the grant be accounted for completely separate from the regular budget. The match will be provided from in-kind services.

Chief Deputy Nelson requested approval of the following budget amendment to recognize the first year revenue to be received from the STOP ARRA Grant and to appropriate the revenue for the salary and the related benefits to hire a STOP Domestic Violence Investigator for the Sheriff's Department:

Increase Revenue:	101-47304 – Sheriff ARRA Domestic Violence Stop Investigator -	\$51,172
Increase Expend.:	101-58804-189 – Other Salaries & Wages -	\$34,520
	101-58804-201 – Social Security -	2,141
	101-58804-204 – State Retirement -	4,416
	101-58804-205 – Employee Insurance -	9,518
	101-58804-209 – Long Term Disability -	76
	101-58804-212 – Employer Medicare -	501

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment appropriating the first-year revenue to be received from the ARRA Stop Domestic Violence Investigator Grant in the amount of \$51,172 and to appropriate the revenue for the salary and related benefits. The motion passed unanimously by roll call vote.

Chief Deputy Nelson advised that the salary listed in the grant was based on entry-level for a detective. She stated that for this type of position, the Sheriff's Department would probably want to hire at least a five-year veteran. She stated there would be a difference in the salary, which they would make up in their budget. She stated it would amount to approximately \$2,500 plus benefits.

The Finance Director advised that if the salary was higher part of the salary would be funded from the ARRA STOP Domestic Violence Investigator budget and part of the salary would be funded from the Sheriff's Department regular operating budget.

Following discussion, the motion to approve the budget amendment appropriating the first-year revenue to be received from the ARRA Stop Domestic Violence Investigator Grant in the amount of \$51,172 and to appropriate the revenue for the salary and related benefits passed unanimously by roll call vote.

APPROVE GRANT CONTRACT WITH THE TENNESSEE HISTORICAL COMMISSION FOR ARCHIVES AND THE RELATED BUDGET AMENDMENT:

Mr. John Lodl, Archives Director, requested approval of a Grant Contract with the Tennessee Historical Commission in the amount of \$19,000 to update and digitize previous historic structure surveys for Rutherford County as part of the Tennessee Historical Commission's state-wide initiative. The grant will provide 60% of the total cost. Mr. Lodl advised that the grant amount had been reduced to a total of \$31,666 with \$19,000 being funded from the grant and \$12,666 being provided from in-kind services. Mr. Lodl requested approval for the County Mayor to execute the Grant Contract and to approve the following budget amendment, which also recognized a \$2,000 contribution from the Heritage Partnership:

Increase Revenue:	101-46190 – General Government Grant -	\$19,000
	101-44570 – Contributions & Gifts -	2,000
Increase Expend.:	101-51910-169 – Part Time Personnel -	\$14,860
	101-51910-201 – Social Security -	930
	101-51910-212 – Employer Medicare -	210
	101-51910-308 – Consultant -	3,000
	101-51910-355 – Travel -	2,000

Comm. Jernigan moved, seconded by Comm. Peay to authorize the County Mayor and other appropriate officials of Rutherford County to execute the Grant Contract with the Tennessee Historical Commission in the amount of \$19,000, and to approve the related budget amendment recognizing the revenue to be received from the grant and a \$2,000 contribution from the Heritage Partnership and to appropriate the revenue for part time personnel, the related benefits, a consultant, and travel. The motion passed unanimously by roll call vote.

ARRA JUSTICE ASSISTANCE DRUG COURT GRANT BUDGET AMENDMENT:

Ms. Mary Schneider, Drug Court Coordinator, requested approval of the following budget amendment to appropriate the first-year revenue to be received from the ARRA Justice Assistance Drug Court Grant in the amount of \$28,000. The grant is a two-year grant with the total grant amount being \$52,000 requiring no matching funds:

Increase Revenue:	101-47301 – ARRA Jag Drug Court -	\$28,000
Increase Expend.:	101-58801-308 – Consultant -	\$21,850
	101-58801-355 – Travel -	5,850
	101-58801-435 – Office Supplies -	300

The County Commission adopted a Resolution on May 14, 2009 authorizing the County Mayor and other appropriate officials of Rutherford County to execute the said grant contract subject to it being awarded. It was proposed that the grant funds would be used to hire a consultant to conduct an evaluation of the Drug Court Program.

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment as requested appropriating the first-year revenue to be received from the ARRA Justice Assistance Drug Court Grant in the amount of \$28,000. The motion passed unanimously by roll call vote.

Comm. Shafer stated that he would like for the results of the completed evaluation to be reported to the Public Safety Committee.

ARRA DOMESTIC VIOLENCE COURT GRANT BUDGET AMENDMENT:

Ms. Pam Fone, Domestic Violence Coordinator, requested approval of the following budget amendment to appropriate the first-year revenue to be received from the ARRA Domestic Violence Court in the amount of \$32,310, which requires a 25% cash or in-kind match. The



grant is a two-year grant in the total amount of \$57,110. The local match will be provided from in-kind services:

Increase Revenue:	101-47302 – ARRA Domestic Violence Court -	\$32,310
Increase Expend.:	101-58802-169 – Part Time Personnel -	\$19,575
	101-58802-201 – Social Security -	1,215
	101-58802-212 – Employer Medicare -	285
	101-58802-349 – Printing, Stationery/Forms -	225
	101-58802-355 – Travel -	3,500
	101-58802-709 – Data Processing Equipment -	3,300
	101-58802-711 – Furniture/Fixtures -	4,210

The County Commission adopted a Resolution on April 16, 2009 authorizing the County Mayor to accept the said grant subject to it being awarded.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment as requested recognizing the first-year revenue to be received from the ARRA Domestic Violence Court Grant in the amount of \$32,310 and appropriating the revenue for part time personnel, the related benefits, supplies, travel data processing equipment and furniture and fixtures. The motion passed unanimously by roll call vote.

#### MISCELLANEOUS:

As mentioned earlier in the meeting, the Finance Director requested approval of the following budget amendment to provide funding to make transfers to the Self-Insurance Fund to pay property and casualty claims:

From:	101-39000 – Undesignated Fund Balance -	\$300,000
To:	101-58900-505 – Judgments -	\$300,000

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment as requested to provide funding to make transfers to the Self-Insurance Fund to pay property and casualty claims. The motion passed unanimously by roll call vote.

#### AMBULANCE SERVICE FUND:

Mr. Mike Nunley, Ambulance Service Director, requested approval of the following budget amendment to recognize the revenue received from a donation from Red Giant Entertainment for the Scholarship Fund and to appropriate the donation for In-Service Staff Development. Additionally, Mr. Nunley advised that the scholarship committee had met, and five individuals applied for scholarships. The scholarship committee awarded three scholarships with Stone Crest Medical Center paying for one scholarship, and Middle Tennessee Medical Center paying for one scholarship. Mr. Nunley also requested approval of a budget amendment to transfer \$6,500 from the new Ambulance Service Fund undesignated fund balance to provide funding for the third scholarship:

Increase Revenue:	118-44570 – Contributions & Gifts -	\$ 225
Increase Expend.:	118-55130-524 – In-Service/Staff Develop. -	\$ 225

From:	118-39000 – Undesignated Fund Balance -	\$ 6,500
To:	118-55130-525 – In-Service/Staff Development -	\$ 6,500

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendments appropriating a donation from Red Giant Entertainment in the amount of \$225, and appropriating \$6,500 from the Undesignated Fund Balance to provide funding for a scholarship for one individual to attend Paramedic School. The motion passed unanimously by roll call vote.

REQUEST FROM AMBULANCE SERVICE AUTHORIZING RAPID RESPONSE HAZMAT TEAM GRANT APPLICATION:

Chairman Ealy advised that at the Public Safety Committee meeting Shannon Towery requested approval to apply for a grant of up to \$600,000 with no match required to augment the Rapid Response Hazmat Team through water infrastructure for equipment and training. The Public Safety Committee was advised that no additional personnel would be required.

Mr. Nunley stated that he was not completely sure that the Ambulance Service would qualify for the grant, but if they did qualify it would be a good thing. He stated that all of the utility companies that utilize Stones River and Percy Priest Reservoir for drinking water had been contacted, and they were onboard with the concept.

Comm. Shafer moved, seconded by Comm. Peay to approve the Public Safety Committee's recommendation authorizing the Ambulance Service to apply for a grant of up to \$600,000 to augment the Rapid Response Hazmat Team through water infrastructure. The motion passed unanimously by roll call vote.

DEVELOPMENT TAX FUND BUDGET AMENDMENT:

The agenda included a proposal to close the Manchester Road Ambulance Station project and to transfer the remaining balance of \$21,449.40 back to the Development Tax Fund.

After the previous discussion regarding the sign, Mr. Nunley contacted Tommy Brown. Mr. Nunley advised that the proposed sign was a masonry sign specifying the facilities for the Ambulance Service, Convenience Center, and the Southeast Volunteer Fire Department. Mr. Nunley advised that the sign was started and the foundation was poured. Due to the economy, Mr. Nunley stated that it was decided not to move forward with the sign at this time. Mr. Nunley stated that Tommy Brown was prepared to move forward with the sign, and the estimates ranged from about \$5,000 to \$6,000.

Mayor Burgess suggested that the project be kept open until the sign could be completed.

Comm. Jernigan stated that he believed that the county should move forward with constructing the sign.

Comm. Jordan and Comm. Peay stated that they believed that the estimates were too much.

Mr. Nunley stated that the sign would contain three locations, and that it would be a two-sided sign.

Comm. Jernigan moved, seconded by Comm. Peay to move forward with the construction of the sign at the Manchester Road Ambulance Station.

Comm. Peay stated that he did not like the cost of the sign.

Comm. Jordan stated that a sign should be able to be constructed for a lot less money. He suggested that perhaps inmate labor could be used to construct the sign.

Comm. Peay stated that he thought that the sign should be designed and bid with the proposal being brought back through the Public Safety Committee.

Mayor Burgess stated that since the amount was under \$10,000 bids would not be taken, but he stated that bids or quotes would be requested. He stated it would not be necessary for it to go through the Purchasing Committee. He stated that if the committee did not want to spend \$6,000 for the sign, he would get Mr. Brown to start over with the design for a different type of sign.

Comm. Jernigan stated that he believed it should be a sign that would last.

Comm. Sandlin stated if the footing had already been poured, that would be money wasted if the sign was not completed.

Mr. Nunley stated that he did not know if another type of sign would be appropriate at that location. He stated that they did not have to have a sign. He stated that if a sign was constructed, it needed to be a complimentary sign for the neighborhood.

Following discussion, the motion to move forward with the construction of the sign at the Manchester Road Ambulance Station failed by roll call vote with Commissioners Jernigan and Sandlin voting "yes"; Commissioners Peay and Shafer voting "no"; and Commissioners Bullen, Jordan, and Ealy voting "pass".

Comm. Shafer moved, seconded by Comm. Jernigan that bids be taken to build the sign at the Manchester Road Ambulance Station with the recommendation being brought back to the Budget Committee to finalize what information should be included on the sign to make it palatable to the neighbors.

Mayor Burgess stated he was not sure how to move forward with the suggestion. He asked if the Purchasing Committee would take bids and if the bids would be brought back to the Budget Committee. He stated this was out of step with the normal process.

Comm. Peay also suggested that it should be checked out to see if there was anyone at the Correctional Work Center who could do the work.

Following discussion, Comm. Shafer withdrew the motion, and Comm. Jernigan agreed to withdraw the second to the motion.

Comm. Peay suggested that Mr. Nunley report back to the Public Safety Committee next month with information regarding the sign at the Manchester Road Ambulance Station or it could be brought back to the Budget Committee.

The committee agreed to delay closing the Manchester Road Ambulance Station Project until the situation regarding the sign could be worked out.

APPROVE GRANT CONTRACT WITH THE STATE OF TENNESSEE, EMERGENCY MANAGEMENT AGENCY FOR A PUBLIC ASSISTANCE GRANT AWARD FOR THE GOOD FRIDAY TORNADOES:

Mr. Roger Allen, Emergency Management Director, requested approval of a Grant Contract with the State of Tennessee, Emergency Management Agency for a Public Assistance Grant award in the amount of \$416,828.93 with \$59,546.99 being State dollars and \$357,281.94 being federal dollars. Mr. Allen advised that the grant would provide a reimbursement to the county for responding to the Good Friday tornadoes. He advised that there could be more funding coming, but he did not know for sure. Mr. Allen advised that the grant would provide 75% of the total cost for cleaning up the debris. He advised that the state's portion amounted to 12.5%, and that the county would have to bear the costs for the other 12.5%.

Following discussion, Comm. Sandlin moved, seconded by Comm. Peay to authorize the County Mayor and any other appropriate officials of Rutherford County to execute the Grant Contract with the State of Tennessee, Emergency Management Agency for a Public Assistance Grant in the amount of \$416,828.93 for responding to the Good Friday tornadoes. The motion passed unanimously by roll call vote.

APPROVE CONTRACT WITH TENNESSEE DEPARTMENT OF HEALTH FOR LOCAL HEALTH SERVICES:

The Finance Director requested approval of a Grant Contract with the Tennessee Department of Health in the amount of \$1,629,700 for local health services. The contract is an annual contract with the grant term commencing on July 1, 2009 and ending on June 30, 2010.

The Finance Director advised that she was expecting an amendment for the 2008-09 Fiscal Year, which will then require an amendment to the 2009-10 contract; however, the Department of Health has requested that the continuation budget be approved as presented with an amendment to be forwarded later.

Comm. Jordan moved, seconded by Comm. Peay to authorize the County Mayor and any other appropriate officials of Rutherford County to execute the Grant Contract with the Tennessee Department of Health for local Health Services in the amount of \$1,629,700 for the 2009-2010 Fiscal Year. The motion passed unanimously by roll call vote.

### **OTHER BUSINESS**

Comm. Bullen asked the committee if they would be willing to request that the Finance Director provide them as a part of her monthly report an analysis of how much was being amended from the ending fund balance throughout the year.

The Finance Director stated that would not be a problem, and she stated that she thought it would be a good thing to look at each amendment and advise if the amendment was going to be a one time expenditure or a recurring item.

### **ADJOURNMENT:**

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:05 PM.

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Elaine Short, Secretary